

VZCZCXR05030
PP RUEHIK
DE RUEHSQ #0752/01 3471616
ZNR UUUUU ZZH
P 121616Z DEC 08
FM AMEMBASSY SKOPJE
TO RUEHHTH/AMEMBASSY ATHENS PRIORITY 1860
RUEHBW/AMEMBASSY BELGRADE PRIORITY 0019
RUEHPS/AMEMBASSY PRISTINA PRIORITY 4457
RUEHIK/AMCONSUL THESSALONIKI PRIORITY 0085
RUEHC/SECSTATE WASHDC PRIORITY 7899

UNCLAS SECTION 01 OF 03 SKOPJE 000752

SENSITIVE
SIPDIS

STATE FOR EUR/SCE; H PLEASE PASS TO CODEL POE

E.O. 12958: N/A
TAGS: PGOV PREL MK

SUBJECT: MACEDONIA: SCENESETTER FOR THE DECEMBER 17-19
VISIT OF CONGRESSMAN TED POE

SUMMARY

¶1. (SBU) Post warmly welcomes you to Macedonia. To follow is an overview of the current political and economic situation in Macedonia as well as logistical information for your visit. End Summary.

¶2. (SBU) Macedonia faces an uncertain international future, quiet but deep-seated domestic divisions, and an already transitional economy now facing significantly lower growth. The government and people's appreciation for U.S. support and friendship remains strong. We have concerns about recent GoM steps in rule of law, responsible government, and defense funding and are engaging in concert with the international community here on these issues and on ensuring elections in March 2009 that meet international standards. Settling the name dispute with Greece is crucial for Macedonia's NATO and EU aspirations. However, the GoM has made a number of moves which irritate Greece and make resolution more difficult. Interethnic relations are more stable following the election, but there are tensions between the ruling party and its ethnic Albanian partner. Macedonia's commitment to international security remains strong; we are working to seamlessly transfer its contingent from OIF to NTM-I and ISAF. End summary.

¶3. (SBU) Macedonia is still trying to cope with not being invited to join the Alliance as a result of the Greek block at the Bucharest summit in April. Subsequently PM Gruevski failed to heed international advice to strive -- with strong U.S. support -- for an immediate agreement with Athens on the name issue. Instead, Gruevski called snap elections in an effort to boost his majority in parliament. This succeeded, but election-related violence (predominantly in ethnic Albanian areas) and irregularities compelled the international community to conclude that the polls failed to meet standards. Worse, the campaign and government-formation process delayed any serious work on the name issue for months, placing a NATO invitation in 2008 beyond reach.

¶4. (SBU) On November 17, Macedonia filed legal proceedings against Greece in the International Court of Justice, claiming that Greece had violated the 1995 Interim Accord on the name issue by blocking Macedonia's NATO membership. Both Macedonia and Greece pledged to continue UN-mediated negotiations on the name even as the case moves forward, which will likely take at least three years. But even a finding in Macedonia's favor would do little to help the situation.

¶5. (SBU) Macedonia's EU prospects are also distant. As expected, the European Commission's Nov. 5 progress report did not recommend a starting date for membership

negotiations, due to Macedonia's failure to make sufficient progress on key benchmarks in political and legal reforms. (The June elections were also a major factor in the EU's negative evaluation.) While the GoM formally accepted the EU's criticism, frustration with the lack of progress toward Euro-Atlantic integration has demoralized the Macedonian leadership and likely made it less amenable to pushing hard on reforms.

¶6. (SBU) Macedonia will hold presidential and municipal elections in March 2009, and we and our partners in the international community are working to focus the GoM on implementing OSCE recommendations to ensure the flawed elections of last June are not repeated. We have noted for PM Gruevski and others that the next NATO summit comes only one week after these elections, and a repeat of problems from June may give some in the Alliance (not just Greece) reason to reconsider their evaluation that Macedonia is still qualified for membership in the Alliance.

Kosovo: Good News and Bad News

¶7. (SBU) Macedonia recognized Kosovo on Oct. 9, but has yet to establish formal diplomatic relations because the border demarcation between the two is not yet 100% complete. Despite a dispute over only a few remaining hectares (in which international observers in Kosovo suggest Macedonia is likely in the right), cooperation between the Kosovars and Macedonians on demarcation has been good beyond expectations, and the GoM has been transparent with us while seeking to minimize the fallout with Belgrade. The Macedonians had at

SKOPJE 00000752 002 OF 003

first been nervous about Kosovo's independence, but now understand it as a stability multiplier in the region and a way to maintain a positive dynamic with its own ethnic Albanian population. Indeed, PM Gruevski used the 100th anniversary of the Albanian alphabet to hold a Nov. 22 mini-summit (PMs from Macedonia, Albania, and Kosovo) and demonstrate outreach to the Albanian community in the region as well as in Macedonia.

¶8. (SBU) Recently, however, the Macedonian leadership has been nervous about the potential for unrest within Kosovo surrounding the recent deployment of the European Union Rule of Law Mission (EULEX) throughout the country. The GoM is concerned that any potential violence could spill over into Macedonia, just as fallout from the Kosovo crisis in 1999 helped to precipitate Macedonia's brief interethnic conflict in 2001. Along with our EU colleagues, we have worked hard to assure the GoM that this is an unlikely scenario, and to counter the popular notion here that somehow the EULEX deployment means the partition of Kosovo along ethnic lines, always a concern in this interethnic society.

Domestic Politics: A Mixed Bag

¶9. (SBU) The Gruevski government has misstepped on issues of rule of law and political dialogue. During the summer the parliament rushed through over 150 laws using an emergency procedure, snuffing out any chance for debate. At the same time, the authorities arrested the main opposition party's Vice President, Zoran Zaev, on corruption charges, alerting the media in order to subject him to a high-profile "perp walk," then manipulating the judicial process to ensure he remained in preventive detention even when the presiding judge ordered him released. The main opposition party, SDSM, walked out of parliament, only agreeing to return after President Crvenkovski, who himself hailed from SDSM, pardoned Zaev and refused to sign most of the laws passed under emergency procedure. (This last move was symbolic, as these vetoes were easily overridden in parliament.) Needless to say, poor relations between Gruevski and Crvenkovski have led to both sides showing more interest in personal politics than

in governing. The relationship, if anything, has only grown worse.

¶10. (SBU) More positively, Gruevski's ruling VMRO took the largest ethnic Albanian party, DUI, on as its coalition partner, and this partnership has been proceeding relatively well. Gruevski finally accepted DUI's long-standing demand for a law permitting greater use of Albanian in official contexts; it passed on July 25 (albeit under the emergency procedures noted above). Macedonian recognition of Kosovo -- another key DUI item) also helped. There are tensions under the surface, however. Currently chief among them is the government's decision to proceed with four cases against ethnic Albanians stemming from the 2001 conflict that the ICTY recently decided not to pursue further. Most in the Albanian community argue that under the 2002 amnesty law, the government is not permitted to proceed with these cases, some of which implicate the most senior leadership in DUI. Should these cases proceed further, it could tear the coalition apart and, more significantly, spark inter-ethnic tensions. Prolonged exclusion from NATO and the EU will only exacerbate these problems.

Economy

¶11. (U) NATO and EU membership prospects remain distant, which in turn will not help an economy that is still in transition and is already showing signs of stress due to the global financial crisis and the economic slowdown. While Macedonian banks luckily escaped the banking crunch, reduced international demand for key Macedonian exports, such as metals, will help drive down GDP growth (which recently had been running at approximately 6% but could well shrink by half or more in 2009). Additionally, the GoM is planning to significantly increase spending for 2009 (just in time for March 29 municipal and presidential elections), likely putting a further strain on fiscal policy even as the tax base is likely to go down. With no prospects for significantly increased FDI, prospects for the economy are not promising.

Redeployment from OIF

SKOPJE 00000752 003 OF 003

¶12. (SBU) The Macedonian leadership responded calmly to the news that their forces in OIF (75 soldiers, mostly Special Forces) will not be needed in Iraq after Dec 31. The last Macedonian troops returned home this week. Washington has encouraged Macedonia to consider folding some of its OIF contribution into the NATO Training Mission-Iraq, and Macedonia is positively disposed and actively considering this, indicating that they have 5-10 qualified trainers who could serve there. Macedonian leadership will likely be receptive to U.S. requests for increasing their troop contribution in Afghanistan. While Macedonia has domestic problems, its desire to contribute to peace and security side by side with us remains undiminished. This policy has enjoyed support across the political spectrum.

Logistical Information for your Visit

¶13. (SBU) CONTROL OFFICER: The control officer for your visit is Political Officer Jennifer Bosworth. Office phone 389 (2) 311 6180 ext 2125; mobile phone 389 (0) 70 327 629; BosworthJF@state.gov

¶14. (SBU) HOTEL: Hotel reservations have been made at the Holiday Inn Hotel for the nights of December 17 and 18. The hotel address is Vasil Agilarski 2, telephone number 389 (2) 32920929, fax number: 389 (2) 3115-503. Congressman Poe has received an upgrade to a suite within per diem.

¶15. (U) VISA: American citizens do not need visas to enter Macedonia. Residence permits or long term visas are required only for stays over 90 days.

¶16. (SBU) CRIME AND SECURITY ASSESSMENT: The security situation is stable. There are no specific terrorist threats against Americans. Skopje is rated "medium" for crime. While criminal activity does exist, it does not appear to be directed toward Americans, and the city is considered safe by U.S. standards. However, petty crimes and crimes of opportunity, such as pickpocketing, do take place. Travelers should avoid carrying large sums of cash or other valuables in purses and wallets. ATMs may be used safely in Skopje as long as standard security precautions are taken.

NAVRATIL